Office of the Assistant Secretary of the Army

Installations and Environment

Our Installations Supporting the War: Relevant and Re

"Creating Flagships Through Privatization"

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Deputy Assistant Secretary of the Army
(Privatization and Partnerships)

Association of the United States Army
(October 25, 2004)

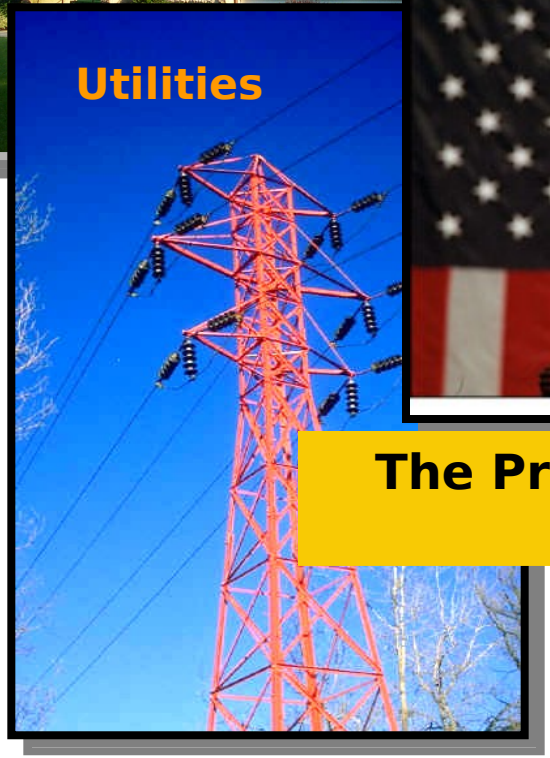
Installations as Flagships

“Our installations must be resourced to serve as our flagships; able to project power; support tough, realistic training and provide for Soldiers, families, and civilians.”

~ GEN Peter J. Schoomaker,
Army Chief of Staff

Transforming Thru Privatization

White House photo by Eric Draper



The President's Management Agenda

Housing Privatization - RCI

45 Installations – 35 Projects

84,480 Family Housing Units; 92% of U.S. Army Owned Inventory

Projects Transferred (48,911 Houses)

- Ft Carson, CO - Nov 1999
- Ft Hood, TX - Oct 2001
- Ft Lewis, WA - Apr 2002
- Ft Meade, MD - May 2002
- Ft Bragg, NC - Aug 2003
- Pres of Mont-Naval PS, CA - Oct 2003
- Ft Stewart-Hunter AAF, GA - Nov 2003
- Ft Campbell, KY - Dec 2003
- Ft Belvoir, VA - Dec 2003
- Ft Irwin-Moffett Fed AF-Parks RFTA, CA - Mar 2004
- Ft Hamilton, NY - Jun 2004
- Walter Reed AMC, DC / Ft Detrick, MD - Jul 2004
- Ft Polk, LA - Sep 2004
- Ft Shafter / Schofield Brks, HI - Oct 2004

Partners Selected - Transfer Date (15,890)

- Fts Eustis-Story, VA - Nov 2004
- Ft Leonard Wood, MO - Feb 2005
- Ft Drum, NY - Feb 2005
- Ft Sam Houston, TX - Mar 2005
- Carlisle Brks, PA-Ft Monmouth / Picatinny Ars, NJ - May 2005
- Ft Bliss, TX-White Sands Missile Range, NM - Jul 2005
- Ft Benning, GA - Jan 2006

In Solicitation (11,176)

- Ft Rucker, AL
- Ft Gordon, GA
- Ft McPherson, GA
- Ft Knox, KY
- Ft Leavenworth, KS
- Ft Riley, KS
- Redstone Arsenal, AL

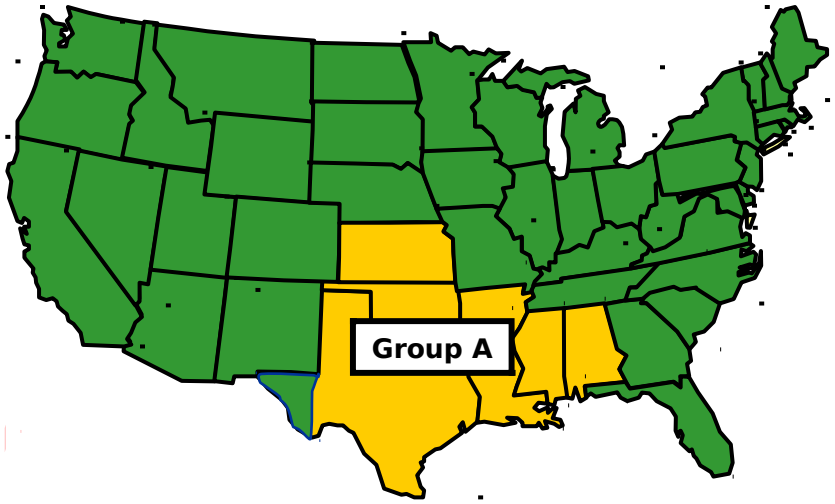
Future Sites (8,503)

- West Point, NY
- Aberdeen PG, MD
- Ft Jackson, SC
- Ft Huachuca-Yuma PG, AZ
- Ft Lee, VA
- Selfridge ANGB, MI
- Ft Richardson, AK

vestment Supports $7.8B in Private Initial Development

Privatization of Army Lodging

- **Installation lodging facilities suffer from chronic under-funding**
  - More than 80% require either major renovation or replacement
  - Estimated cost to upgrade is $1B+
- **PAL seeks to to revitalize installation transient lodging through partnerships with the private sector**
  - Same legislative authorities as RCI
  - Obtain private sector expertise, creativity, innovation, and capital
- **PAL is consistent with Leadership direction to transfer non-core functions to the private sector**



www.pal.army.mil/pal

Privatization of Utilities

Utilities Statistics

United States:

- 351 Systems
- 186 Completed
- 95 Underway
- 70 Remaining

Japan and Korea:

- 128 Systems Exempted
- 0 Privatized

Europe:

- 589 Systems
- 226 Privatized

Office of Historic Properties

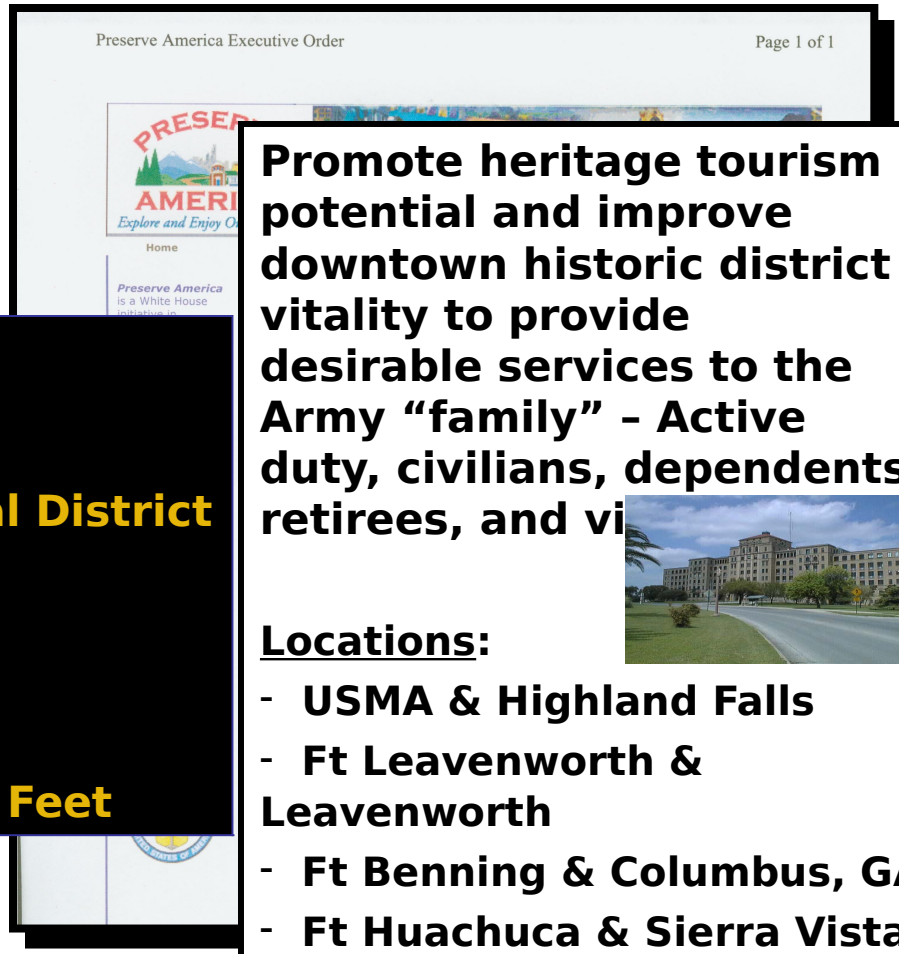
Historic Properties

- 14,000 properties listed on or eligible; 20,000 more coming of age
- Seeking available facilities to offer to the private sector

Reuse Opportunities:

- Fort Bliss, Texas:
  William Beaumont Historic Hospital District
  93 Acres / 39 Buildings
- Fort Sam Houston, TX
  Brooke AMC: 500,000 Square Feet
- Walter Reed AMC: 200,000 Square Feet

ARMY-COMMUNITY HERITAGE PARTNERSHI



Promote heritage tourism potential and improve downtown historic district vitality to provide desirable services to the Army "family" – Active duty, civilians, dependents, retirees, and vi

Locations:

- USMA & Highland Falls
- Ft Leavenworth & Leavenworth
- Ft Benning & Columbus, GA
- Ft Huachuca & Sierra Vista
- Carlisle Barracks & Carlisle

Privatization of Barracks

Unaccompanied Personnel Housing (UPH) Privatization Task Force

WHY CONSIDER PRIVATIZING?

- **RCI family housing successes may be applicable to UPH**

TASK FORCE PURPOSE

- **Determine the financial feasibility and desirability of UPH privatization**

STATUS

- **Study included 6 sites (Forts Lewis, Leonard Wood, Stewart, Hood, Detrick, and Presidio of Monterey), 15 scenarios modeled**
- **Draft Study Report is currently under review**
- **Provide Study results and recommendations to Army leadership Nov 2004**

New Business Initiatives

PRIVATIZATION INITIATIVES

Army Business Initiatives Council

- **Municipal Services Partnerships (MSP)**
- **Barracks Programmatic Compliance**

- **Technologically Connected Homes**